

# Exhibit J

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# Was there corrupt intent at the SEC?

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By John E. Deaton, Founder and Host of [CryptoLaw](#).

You would think that blatant government corruption and self-dealing was the stuff of a Hollywood movie, but when you peel back the layers of the Ripple case, examine its origins, and review key facts related to some of its central figures at the Securities and Exchange Commission, a larger story emerges that can't be ignored.

Former Chairman Jay Clayton, ex-Corporations Finance Director William Hinman, and former Enforcement Director Marc Berger took very specific actions while they were in office, related to very specific cryptocurrencies. In parallel, they have very specific financial interests related to cryptocurrencies, which were benefited by those actions, while millions of retail holders of a specific cryptocurrency were directly harmed.

Those are the indisputable facts, and taken together they point very clearly to something very troubling behind the SEC's filing of the Ripple case on Clayton's last day in office. How can we look at these facts and just dismiss the idea of corrupt intent?

## Here is what we know, in detail:

- Before joining the SEC, we know that both [Clayton](#) and [Hinman](#) earned massive fees to support Chinese tech giant Alibaba Group

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carry out its 2014 IPO on the New York Stock Exchange. Alibaba's Alipay is the [largest](#) digital mobile payments platform in the world, and its New York IPO set the stage for China's intended dominance in global digital payments.

- By 2016, Chinese-controlled bitcoin miners had [moved to control 65%](#) of the bitcoin network hash rate. Since bitcoin is a proof-of-work token, this gives China control of its network.
- On January 20, 2017, Jay Clayton was [nominated](#) as Chairman of the SEC by President Donald Trump. Despite widespread concerns regarding [Clayton's numerous conflicts of interest](#), he was ultimately [confirmed and sworn](#) in on May 4, 2017.
- On May 9, 2017, William Hinman was [named](#) the Director of Division of Corporation Finance at the SEC. Upon his appointment to the SEC, Hinman left his post at the law firm Simpson Thacher – which [sits](#) on the Ethereum Enterprise Alliance and represents cryptocurrency-related financial interests – but [continued to receive](#) millions in financial payments from the firm. In short, Hinman had a clear financial interest in any regulatory action by the SEC related to cryptocurrencies – while he was serving in a top SEC position! This was something one former SEC ethics lawyer [said](#) was “a little unsettling.” (A little?)
- In 2018, Clayton publicly [declared](#) bitcoin not a security, **sending the price of bitcoin soaring.**
- During a 2018 Yahoo Finance summit in San Francisco, Hinman [declared](#) that the Ethereum token, ether, is not a security. **The price of ether skyrocketed.**
- In 2019, Simpson Thacher [led](#) Chinese-based crypto mining company Canaan to their IPO. [Canaan](#) provides the technology used for mining bitcoin, and is publicly bullish on Bitcoin. Hinman was still at the SEC when this happened, and still collecting checks from Simpson Thacher.
- In early November 2020, then-Director of National Intelligence John Ratcliffe [wrote](#) Chairman Clayton to express his growing

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Names on Alibaba IPO:

Clayton, Hinman and  
Leiming Chen

Clayton and Hinman  
BOTH go to the [@SEC](#) in  
2017

2018: [#BTC](#) and [#ETH](#)  
get clarity from Hinman  
and Clayton. Berger is

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concerns over China's dominance in crypto and the risk it poses for U.S. national security.

- On December 4, 2020, Hinman [resigned](#) from the SEC.
- On December 22, 2020 – Clayton's last day in office – the SEC Enforcement division led by Berger [filed](#) its lawsuit against Ripple and its executives alleging that XRP sales over seven years were unregistered securities trades. The complaint indicates "all sales" were illegal, therefore ensnaring millions of retail XRP holders who have never heard of Ripple but traded the digital currency for years. **The price of XRP plummeted.**
- On January 12, 2021, Acting Enforcement Director Marc Berger announced his [resignation](#) from the SEC, departing the agency at the end of the month.
- On January 12, 2021, *Bloomberg* [reported](#) that **Hinman would be returning to the law firm Simpson Thacher**, which continues to sit on the Ethereum Enterprise Alliance. Government documents indicate [Hinman received over \\$15 million in payments from Simpson Thacher](#) over the four years he served at the SEC:
  - [2017 Public Financial Disclosure Form OGE 278e](#)
  - [2018 Public Financial Disclosure Form OGE 278e](#)
  - [2019 Public Financial Disclosure Form OGE 278e](#)
  - [2020 Public Financial Disclosure Form OGE 278e](#)
- As of March 2021, the **People's Bank of China (PBOC)** had [edged closer](#) to the full-scale launch of their **Digital Yuan**, releasing millions of dollars of the digital currency in trials.
- On March 29, 2021, *Bloomberg* [reported](#) that **Clayton had accepted a position at One River Asset Management**, a digital asset hedge fund focused exclusively on **bitcoin and ether**.
- In its case against Ripple, SEC attorneys have been [fighting tooth and nail](#) **not to adhere to the One River Asset Management subpoena**, more than likely in an attempt to keep potentially incriminating evidence about Clayton's compensation from coming to light.

- On April 15, 2021, *Bloomberg* [reported](#) that **Berger was joining Hinman as a partner at Simpson Thacher.**

Neither Clayton, nor Hinman, nor Berger, nor the SEC have disputed any of these facts or the chronology of how this all unfolded. Any objective reading clearly suggests that these three had and/or currently retain financial interests linked to the officials' actions they took at the SEC.

Why haven't these individuals, Simpson Thacher and One River been challenged to explain these facts?

These facts suggest glaring improprieties, so why aren't they being investigated? Given cryptocurrencies total market capitalization swelling into trillions of dollars, if now is not the time to investigate, then when?

It is up to the millions of retail XRP holders, who were directly impacted by these actions, to demand answers if no one else will.



U.S. Legal and Regulatory  
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